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**MAY 27 2011**  
**OFFICE OF PETITIONS**

In re Patent of Suzuki et al. :  
Patent No. 6,561,716 :  
Issue Date: May 13, 2003 :  
Application No. 09/762,319 :  
Filed: February 6, 2001 :  
Attorney Docket No. M1596-232/ 4400/800-  
001

ON PETITION

This is a decision on the petition under 37 CFR 1.378(b), filed April 5, 2011, to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent.

The petition is **DISMISSED**.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this 2-month time limit can be granted under 37 CFR 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of \$400 as set forth in 37 CFR 1.17(f). The petition for reconsideration should include an exhaustive attempt to provide the lacking item(s) noted below, since, after a decision on the petition for reconsideration, the Director will undertake no further reconsideration or review of the matter.

The patent issued May 13, 2003. The 3 ½ year maintenance fee could have been paid from May 13, 2006 through November 13, 2006, or with a surcharge during the period from November 14, 2006 through May 13, 2007. The 3 ½ year maintenance fee was not timely paid. Accordingly, the patent expired on May 14, 2007.

### Statute and Regulation

37 CFR 1.378(a) provides that the Director may accept the payment of any maintenance fee due on a patent based on an expiration of the patent, if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Director to have been unavoidable or unintentional. The appropriate surcharge set forth in § 1.20(I) must be paid as a condition of accepting payment of the maintenance fee. The surcharges set at 37 CFR 1.20(i) are established pursuant to 35 U.S.C. 41(c) and, therefore, are not subject to small entity provisions of 35 U.S.C.

41(h). No separate petition fee is required for this petition. If the Director accepts payment of the maintenance fee upon petition, the patent shall be considered as not having expired but will be subject to the intervening rights and provisions of 35 U.S.C. 41(c)(2).

The patent statute at 35 U.S.C. 41(c)(1) provides as follows:

"The Director may accept the payment of any maintenance fee required by subsection (b) of this section... at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable."

The statute's promulgating rule, 37 CFR 1.378(b), provides that any petition to accept the delayed payment of a maintenance fee must include the following:

- (1) the required maintenance fee set forth in 37 CFR 1.20(e) - (g);
- (2) the surcharge set forth in 37 CFR 1.20(i)(1); and
- (3) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The required showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

Furthermore, an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Such a statement must be verified if made by a person not registered to practice before the Patent and Trademark Office. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement.

### **Opinion**

In the instant petition, assignee, Kabushiki Kaisha Somic Ishikawa, asserts that the delay in payment of the 3 ½ year maintenance fee was unavoidable because assignee relied upon a reputable law firm to timely pay the 3 ½ year maintenance fee for the patent. Kabasawa & Associates handled the patent affairs for the assignee in Japan and had engaged Darby & Darby to be responsible for paying the assignee's maintenance fees in the U.S. By May 21, 2006, Kabasawa had informed Darby that the maintenance fee for the above-identified patent should be paid. One of Darby's paralegals, Perry Moy, was assigned to handle the payment. He updated the docketing system to indicate that payment had been made. On July 27, 2006, He notified accounting of the payment. As a result, an invoice was issued on August 31, 2006 to Kabasawa for payment of the fee. However, Mr. Moy forgot to notify MDC, the maintenance fee company used by Darby, that they should effect payment of the fee.

The showing of record is inadequate to establish unavoidable delay within the meaning of 37 CFR 1.378(b)(3). This petition lacks an adequate showing that the delay was unavoidable.

Petitions for the delayed payment of maintenance fees under 35 U.S.C. 41(c)(1) are treated under the same standard as petitions for revival of abandoned applications under 35 USC 133 because both statutory provisions use the same language, i.e., “unavoidable” delay. Ray v. Leyman, 55 F.3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm’r Pat. 1988), *aff’d*, Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), *aff’d*, 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992)). Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable as follows:

The word ‘unavoidable’ ....is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514-515 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm’r Pat. 31, 32-33 (Comm’r Pat. 1887); *see also* Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 167-168 (D.D.C. 1963), *aff’d*, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm’r Pat. 139, 141 (1913)). In addition, decisions on revival are made on a “case by case basis, taking all the facts and circumstances into account.” Smith v. Massinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). The requirement in 35 U.S.C. 133 for a showing of unavoidable delay requires not only a showing that the delay which resulted in the abandonment of the application was unavoidable (or expiration of the patent as it applies to 35 U.S.C. 41(c)(1)), but also a showing of unavoidable delay from the time an applicant becomes aware of the abandonment of the application until the filing of a petition to revive (or a petition under 37 CFR 1.378(b) to reinstate the patent under 35 U.S.C. 41(c)(1)). *See* In re Application of Takao, 17 USPQ2d 1155 (Comm’r Pat. 1990). Finally, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was “unavoidable.” Haines v. Quigg, 673 F. Supp. 314, 316-317, 5 USPQ2d 1130, 1131-1132 (N.D. Ind. 1987).

35 U.S.C. 41(c) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. § 133. In determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray, 55 F.3d at 609-609, 34 USPQ2d at 1787.

Reliance *per se* on a third party for tracking a maintenance fee does not provide a patent holder with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 U.S.C.

41(c). Rather, such reliance merely shifts the focus of the inquiry from patent holder to whether that third party acted reasonably and prudently. In any event, the patent holder is bound by any errors that may have been committed by their representatives. See California Medical Products v. Technology Med. Prod., 921 F. Supp. 1219 (D.Del. 1995). The patent owner chose to rely upon Darby & Darby for monitoring and payment of the maintenance fee. The patent holder is bound by any errors that may have been committed by Darby & Darby

Petitioner asserts that docketing error was the cause of delay in acting to prevent the patent from becoming expired. A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown that: (1) the error was the cause of the delay at issue; (2) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance; (3) and the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care. *See* MPEP 711.03(c)(III)(C)(2).

An adequate showing requires statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts, as they know them. Petitioner must supply a thorough explanation of the docketing and call-up system in use and must identify the type of records kept and the person(s) responsible for the maintenance of the system. This showing must include copies of mail ledger, docket sheets, filewrappers and such other records as may exist which would substantiate an error in docketing, and include an indication as to why the system failed in this instance to provide adequate notice that a reply was due.

What was Darby & Darby's system for docketing and paying maintenance fees? Mr. Moy annotated the database to indicate the fee was paid on July 27, 2006. He notified the Darby & Darby accounting department of payment. As a result, an invoice dated August 31, 2006 was mailed to the assignee. The assignee purportedly paid Darby & Darby. However, Mr. Moy forgot to notify MDC, the maintenance fee company used by Darby, that they should effect payment of the fee.

Was it typical docketing practice to enter payment was made prior to prepayment to Darby & Darby of the fee by the client or confirmation that an annuity company had made payment to the USPTO? What procedures should Mr. Moy have followed? What kind of auditing trail should a "normal" docket entry have created? Were there any abnormalities in the docketing trail due to Mr. Moy's departure in docketing practice that should have been noticed by other Darby & Darby employees?

Did Darby & Darby have contractual relationships with MDC with respect to payment of maintenance fees for other patents? What kind of paper trail was created when Darby & Darby contracted with MDC for payment of a maintenance fee? What kind of annotation, if any, should have been in Darby & Darby's records? If Darby & Darby had a contract for payment of maintenance fees for this patent, did MDC send a written request for instructions to Darby &

Darby about payment of the maintenance fee? Did MDC send reminder notices when no instructions were received?

Petitioner must also supply information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks. How much experience did Mr. Moy have with docketing? The record does not show that Darby was reasonable and prudent in relying on the agencies and instrumentalities of Mr. Perry Moy. It must be established that reliance upon Mr. Moy represented the exercise of due care on the part of Darby & Darby.

Pursuant to petitioner's authorization, deposit account no. 50-4570 is being charged the \$700.00 surcharge after expiration – Late payment is unavoidable, the \$980.00 3 ½ year maintenance fee, and the \$2,480.00 7 ½ year maintenance fee.

If petitioner does not wish to pursue reinstatement of this expired patent, petitioner may request a refund of the \$3460.00 in maintenance fees and the \$700.00 surcharge submitted with the petition. The request should be made in writing and addressed to: Mail Stop 16, Director of the U.S. Patent and Trademark Office, P. O. Box 1450, Alexandria, VA 22313-1450. A copy of this decision should accompany petitioner's request.

Further correspondence with respect to this matter should be addressed as follows:

By Mail:                      Mail Stop PETITION  
                                    Commissioner for Patents  
                                    Post Office Box 1450  
                                    Alexandria, VA 22313-1450

By Hand:                     U. S. Patent and Trademark Office  
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The centralized facsimile number is (571) 273-8300.

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                                    (for help using EFS-Web call the  
                                    Patent Electronic Business Center  
                                    at (866) 217-9197)

Telephone inquiries should be directed to the undersigned at (571) 272-3230.

A handwritten signature in black ink, reading "Shirene Willis Brantley". The signature is written in a cursive, flowing style.

Shirene Willis Brantley  
Senior Petitions Attorney  
Office of Petitions